

**MINUTES OF THE MEETING OF THE
FOREST ALLIANCE OF NURSERY SCHOOLS
FINANCE PAY AND PERSONNEL COMMITTEE
HELD ON WEDNESDAY 19 JUNE 2019 AT 4.00 PM**

Present: Peter Dawe (Co-opted Governor) Chair

Co-opted Governors

Mrs Maxine Lafayette
Ms Pauline France

Parent Governors

Mr Jana Mills (from 16:51)

Head Teacher

Mrs Helen Currie

Also Present: Mr Abrar Malik – Parent Governor

Mr Brian Howsan (Observer)

Mrs Hasina Rashid (~~Observer~~)

Clerk to the Governors: Lynne Troughton

Summary of agreements and actions:

Minute reference	Formal agreements and/or actions identified	Named person(s)	Completion date
5.12	That it be recommended to the governing body that the pooling of budgets be put on hold	Governor Services	Next GB agenda – October
6.6	To investigate the extension of 2-year old provision to fee paying parents.	Helen Currie/ Hasina Rashid	ASAP
6.7	Increase charges for day care to £6.50 an hour	Hasina Rashid	1 September 2019
6.9	Report decisions in 6.6 and 6.7 to the next governing body meeting	Governor Services	Next GB agenda – Oct
7.4	Arrange to accommodate breastfeeding group for a direct charge of £1 per parent, including tea/coffee	Hasina Rashid	ASAP

1. WELCOMES AND APOLOGIES FOR ABSENCE

Peter Dawe welcomed those present. There was a round of introductions.

2. DECLARATIONS OF INTEREST

There were none.

3. PROVISION MAPPING

3.1 AM introduced his work colleague Brian Howsan, who works with the NHS doing process mapping.

Chair of Governors

Initials:



- 3.2 BH thanked governors for inviting him and suggested running through a service mapping exercise, identify priorities, and consider some actions that could follow.
- 3.3 BH asked governors which aspects governors would like to improve? The following were identified:
- Income generation
 - Staffing / CPD and uses of staff beyond the school
 - Business planning
 - Attracting and recruiting children
 - Data about the local environment
 - Staying open/ sustainability
 - Marketing
- 3.4 HC explained that the government had not guaranteed any funding past September 2020. If funding ceased, the federation would have to close its schools. However, even if funding is maintained, there was still a need to generate income and become more than a schools' federation. The following were identified as the top priorities and posted on the map:
- Income generation and funding
 - Recruitment of children
 - Sustainability
- It was agreed that everything else would follow from the above.
- 3.5 HC added that no member of staff including herself, had one job. Everyone had to multi-task because it was a small site. Staff become experts at everything.
- 3.6 The federation provided schooling for 2 – 5-year olds therefore was not a statutory provision. No money is given for the building. There are also private settings available. It was noted that Church Hill was in a more affluent area compared to Low Hall. Low Hall families had less stable housing and moved more often but also had more settings in the area.
- 3.7 BH drew start and stop points on the map. The starting point was admissions.
- 3.8 BH also asked governors to identify the principles underpinning the provision: these included:
- high quality
 - recognition
 - flexibility
 - what the community want
- 3.9 The stop point would be long-term security and enough money that the federation could be flexible about its offer, and what it would represent as an institution to the borough, ideally to be seen as leaders in the field. The school and day-care needed to be full enough to be sustainable **and** be a centre of excellence.
- 3.10 BH asked what the key operational aspects would look like? Governors agreed it would be
- the education provided
 - the day-care
 - the SEND provision
- 3.11 Staff explained that the schools accepted all children but was being told by the borough that this is not cost effective. However, SEND is at the heart of what the federation does. Its core value is that everyone has a right to a quality education.
- 3.12 It was noted also that although nursery and day-care are not statutory, there is a right to free education provision from the age of 3 – 5 (2 - 5 for some children). However, there is a statutory requirement to assess the needs of babies and provide for SEND if there is an education and health care plan. This was where the federation interacted with the children's centre, which is where the first assessment is done. The

- funding did not follow straight away however. In fact, it was often the case that the nursery schools did the "leg work" and the funding would go to the primary school.
- 3.13 It was noted that the borough funding was £4.80 an hour, which is topped up by £1.71 government funding. In reality, the federation has saved the borough money because it accommodates so many SEND children. If the borough lost the federation schools it would be to the detriment of hundreds of children, particularly those that did not attend the nurseries.
- 3.14 The governing body had repeatedly discussed the prospects for trading its training services to other bodies: ie other schools, the LA, other boroughs; and had already delivered inclusion in PVI (private voluntary and independent) settings.
- 3.15 Other possible extra-curricular activities could include a play scheme outside term time that is open to the community, for up to 8-year olds. The nurseries already collect children from school for the after-school club, which has been very successful.
- 3.16 Another possibility is lettings: HR suggested that governors may not be charging enough for this.
- 3.17 Fundraising was also a possibility but has to be very specific when submitting bids. HC had done some with the "Borough of Culture" and the Mayor's fund.
- 3.18 Summer fayres and fetes were held to raise money: they needed to attract greater numbers however. This year staff have done more publicity and posters.
(Jana Mills arrived at the meeting at 16:51)
- 3.19 It was noted that Facebook has been successful in attracting new children.
- 3.20 HC clarified that the nurseries received government funding for education but charged for day-care and everything else.
- 3.21 Governors had also looked at the staff to pupil ratios, and staff qualifications and staffing levels. Proposals around the staffing structure would be considered later on the agenda. The federation schools have hidden costs, and their value in terms of the savings to other institutions was unquantified. They provided services they did not charge for; for example, HC sat on various committees to raise the federation's profile, which did not directly generate income but made the federation known and indirectly benefited it.
- 3.22 A stronger working relationship with the borough would help to boost the federation's profile. The LA owns the land housing the schools. HC had worked hard to develop the communication, which has been positive.
- 3.23 Governance was a strength: as well as meeting a statutory requirement, the governing body made a significant contribution and helped facilitate dialogue with the local authority.
- 3.24 The local church was consulting on opening a new nursery to increase their income and standing in the community. It was agreed it was advisable to develop the local relationships with PVI's and convey clear messages about the cost of the support that HC gave them, which was £350 a day.
- 3.25 A local steering group of providers in the immediate area, was suggested. Efforts had been made to engage with the systems leadership group, however, as a member of the group, the federation had been unable to apply to be a training provider. The group has now been taken over by the LA and HC has submitted an expression of interest to run training for all the nursery providers in the area. Training could be run from Church Hill as it is "outstanding".
- 3.26 The federation had yet to make inroads into commercial routes for generating income or developing its branding.
- 3.27 The federation schools were meeting the staffing ratio for school clubs and has a lot of interest in the provision, but not enough staff to expand.
- 3.28 Being able to evidence the federation's value to the LA in terms of assessing SEND was a key area to develop.

- 3.29 More could be made from lettings. More publicity around this was needed.
- 3.30 Summer fetes improve the federation's standing in the community though do not make a lot of money.
- 3.31 The exercise concluded that a steering committee that brought bodies in the local area together, was key. The suggestion was that the federation should devise it and charge a subscription and develop a modular training programme.
- 3.32 HC confirmed this process had started: governors would need to take it forward. PF advised that governors would need to negotiate with the LA on how this would be done. Engaging the right people on the steering committee would be important eg academies and key clinicians. The group could organise an annual event and get speakers. If commissioning to a larger organisation the school could charge more than the £350 a day currently charged.
- 3.33 A small building was ideally needed to reduce dependence on the Town Hall but would cost £125k to build. Having a dedicated facility would demonstrate viability. HC would aim to secure private investment for this over the next year by looking at other models that had raised money for building. It was anticipated this project would take five years to complete.
- 3.34 Brian Howsan summarised the discussion which had started by identifying the key issue as income generation and financial stability. The conclusion was to bring key bodies together eg churches, partners and providers, overseen by the federation, to develop a training programme to train nursery providers, for a charge.
- 3.35 Support to cut through the LA's red tape was an essential part of delivering this. However, there was nothing to prevent the federation starting to develop the training offer to help with putting the case to possible stakeholders. Having the developed product would enable the federation to canvas opinion, go out to providers to gauge interest, then get approval from the LA on the basis the market was there, then sell it.
- 3.36 HR added there was a longer-term plan around fundraising for 2-year old provision.
- 3.37 PF proposed that the proposal be brought to the Children's Learning and Development Committee and Premises Committee on 24 June. AM agreed to attend and talk through what the process mapping had achieved.
- AGREED** That with the long-term goal of achieving financial sustainability, the federation develop a modular training programme and a steering group to seek the necessary buy-in for a nursery providers training offer.

Abrar Malik and Brian Howsan left at 5.27pm. The process map that had been produced during the exercise was retained by the federation.

4. DATA INFRINGEMENT POLICY

HC had emailed governors a draft data infringement policy, which was the borough's model policy. Adopting the model policy would mean that if any issues arose, the local authority would support the federation. PD proposed and PF seconded, that the model policy be adopted.

AGREED That the draft data infringement policy be approved.

5. BUDGET AND PROPOSED RESTRUCTURE

- 5.1 PD reported on the first financial challenge meeting held with the head of business effectiveness, Lindsay Jackson, and the head of early years, Eve McLoughlin. There were 3 action points for governors to consider. The meeting was attended by ML as well as the head teacher and federation business manager. It had been initiated by the governing body following the proposals to become a hard federation and amalgamate the budgets of both schools.

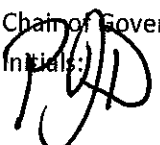
- 5.2 It had been confirmed that the fragile budget position would not affect the Ofsted rating provided there was effective planning on a way forward, in place. HC had also met with the early years advisor, Lorraine Manford.
- 5.3 PF explained that the LA had suggested way forward was to categorise Low Hall as a school facing financial challenge. The second meeting therefore focussed on the financial challenge, rather than the hard federation. This is because Church Hill needs to take care not to pursue a hard federation as a way of bailing out Low Hall.
- 5.4 HR explained that the priority issue was cash flow. Based on projections, by July Low Hall would be in deficit and requiring £28k just in that month, which would accumulate and reach £150k by the end of the financial year.
- 5.5 However, when HR prepared the budget she did not factor in the rate rebate: that income has now been posted into the bank account so a cash advance would not now be needed for July. HR recommended delaying any request for a cash advance for as long as possible.
- 5.6 Also not factored in was the success of the Easter play scheme at Easter and May half-term. The day-care has also picked up and in total £21k of income (£8k more than expected) has come into the account, which has helped to sustain the balance.
- 5.7 HR explained the play scheme and day-care were vital for the sustainability of Low Hall and kept the federation afloat month on month. However, governors needed to consider the current rates being charged. The federation also needed to discuss with the LA the status of occupying a maintained property. HR had no solutions to offer in respect of this issue at the present time.
- 5.8 PF clarified that the issues were triggered by the "fair funding" regime. The school was treated in the same way as PVI's, except for the additional education funding.
- 5.9 HR added that increasing numbers had been costed: there would need to be 61 three and four year olds, and 12 two year olds, to break even. These were the maximum permitted numbers based on square footage. However, even with the full income from those places there was insufficient income to meet staff costs. This is why the day-care is so important.
- 5.10 HC added that research in other boroughs showed that some boroughs give nurseries top-up funding but Waltham Forest is adamant about their per pupil funding and based it on what was traditionally given by the LA, which is the lowest in London. The government has based what they allocate on what boroughs give. In real terms, Waltham Forest nursery schools get 1/3rd of what Tower Hamlets nurseries receive. The head of early years and MP Stella Creasy have agreed to speak to the Education Minister about the funding issue. The mechanism for calculating the funding meant that if the federation nurseries were not full, there would be a claw back. Nursery schools in other boroughs did not suffer this penalty.
- 5.11 HR explained that up until May the budget was still £5k short of balancing the budget, so while there have been cut backs on expenditure, there was no alternative but to discuss restructuring.
- 5.12 PF summarised that the first action point from the financial challenge meeting was that the governing body should not to focus on pooled budgets until both federation schools were operating a balanced budget. HR confirmed that although it was more work to manage 2 budgets, the schools were still separate for DfE's purposes. They still required 2 reports and because of the financial concerns at Low Hall, it would be desirable to monitor the budgets separately whether amalgamated or not.
- AGREED** To propose to the governing body that the pooling of budgets be put on hold, until both schools in the federation could present balanced budgets.
- Action: Governor Services**
- 5.13 – 5.23 See confidential minutes on proposed restructure.

6. CHILDCARE OPTIONS AND INCOME GENERATION

- 6.1 PD explained the further action points from the financial challenge meeting were to consider the cost effectiveness of income generation proposals, including the childcare offer and extended school provision; and to review place provision at Low Hall based on square meterage of the building and the current pupil projections, and report on this to this committee.
- 6.2 HR confirmed she had conducted the reviews and that staffing costs would still be too high. Governors asked whether staff could be reduced if the day-care settings were full? HC confirmed staffing could be reduced but at the cost of quality. Low Hall had higher graded staff and more teachers. It would be necessary to restructure EYP's as well.
- 6.3 There was a similar percentage of SEND at both sites: 26% at Church Hill; 20% at Low Hall. Ten children at Low Hall have significant needs and have Education Health Care Plans whereas only 5 at Church Hill did.
- 6.4 The 30-hour free day-care has had an impact, which is a national issue.
- 6.5 HR explained that the day-care at Low Hall needed £136k to break even; pupil expenditure for 3 to 4-year olds is £116k. The school therefore needs to charge £5.43 an hour to cover the costs. Low Hall has never charged this much and even with the 30 hours, is still not charging enough to cover the full cost.
- 6.6 HR stated there was a need to increase the prices in both settings. £5.50 an hour would cover the cost but only if both were full. The federation had not increased the price for 2 years so needed to close gap and given it was unlikely the nurseries would ever completely fill up, she recommended increasing the fee to £6.50 an hour, which is competitive compared to PVI's which range between £6-7 an hour. This alone would not make the day-care sustainable, but it might if governors considered offering provision for 2-year olds. Currently, 2-year olds were eligible for free sessions only and her proposal was to extend 2-year old places to paying parents. To staff it adequately the day-care would need to recruit an early years level 1 or 2.
- AGREED** That the possibility of extending the 2-year old provision to paying parents, be investigated.
- Action: HC/HR**
- 6.7 HR proposed that the increase be commenced from September for the 3-4 year olds as parents were already asking what the price would be. She had mentioned it might be £6.50 and they were fine with this.
- AGREED** That the day-care charges be increased to £6.50 per hour with effect from 1 September 2019.
- Action: HR**
- 6.8 HR added that the breakfast and tea time price would increase simultaneously by £1.
- 6.9 Both increases should be reported back to the governing body.
- Action: Governor Services**

7. LETTINGS POLICY

- 7.1 HR reminded governors that the lettings policy provided for letting to community groups at £10 an hour. She had received a request from a breastfeeding group to hold a 2-hour session on Wednesdays, and to store some fold up chairs. The session was currently held in the village café but they would like to relocate.
- 7.2 Hosting them at Church Hill would encompass recognition and possible admissions however, they want it free of charge.
- 7.3 The LA officers saw no objection to offering services at the children's centre free of charge however, HR was mindful that the federation was trying to become sustainable so wondered whether to approach the Borough and ask them to fund it, or whether to waive the charge.

Chair of Governors
Initials:


7.4 After discussion of the pros and cons, it was felt the advantages of hosting the group outweighed the financial considerations but that any cost could be mitigated by charging parents directly and providing tea and coffee.

AGREED That the breastfeeding group be hosted at Church Hill Nursery School and that tea and coffee be provided, at a cost per parent of £1.

Action: HR

The meeting ended at 6.30pm.

P. J. Dawe.
..... (sign)

Chair: **P. J. DAWE** (print)

Date: **1.10.19.**.....

AGREED

Chair of Governors
Initials: *PJD*

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